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McFarlane: New Demand Killed Deal With Iran

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Former national security adviser Robert C. McFarlane has told congressional investigative committees that he broke off his four days of secret discussions in Tehran last May after the senior defense adviser to the speaker of Iran's parliament told him additional arms shipments would be needed to gain the release of U.S. hostages in Lebanon.

McFarlane was carrying negotiating instructions from President Reagan that were intended to open a new political relationship between Tehran and Washington. He had been led to believe by his successor as national security adviser, Vice Adm. John M. Poindexter, that his arrival in Tehran would consummate a prearranged deal for release of the U.S. hostages.

He learned on his arrival that the hostages had not been released; McFarlane spent much of his remaining time trying unsuccessfully to negotiate their freedom. When he returned to Washington and reported to the president in early June, his advice was that the Iranians were not ready for a new relationship and that the entire program should be scuttled.

In the past week, McFarlane has detailed the failed mission before the Senate Select Committee on Intelligence and the House Foreign Affairs Committee. The mission is being described by many legislators as illustrative of the faulty White House planning and execution that led to the Iran-contra scandal.

Yet the full details are not known. According to informed sources, McFarlane did not disclose to the legislators, for example, who had negotiated the sale of Hawk antiaircraft missile spare parts that were carried on the plane that took him to Tehran. He also left unclear how much he knew about the terms of the promised hostage release.

Several new details, however, emerged from the recent testimony.

McFarlane was told before he embarked on his mission that his presence—as the president's top former national security adviser, delivering the badly needed missile parts to Iran—was supposed to complete the U.S. signal of good faith and trigger release of the American hostages.

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His presidential instructions were drafted within the National Security Council (NSC). Neither the instructions nor the mission in general were discussed with experts at the State Department or other government agencies. McFarlane was accompanied by Howard J. Teicher, the NSC Near East area specialist; Lt. Col. Oliver L. North, the NSC's expert on the hostages; and George Cave, the former CIA station chief in Tehran who spoke fluent Farsi and served as interpreter.

North was to handle the mechanics of the hostage transfer after his arrival in Tehran, but in a phone call to Poindexter in Washington on the first day, McFarlane learned there was a tie-up.

Then, low-level Iranian officials, who had opened the conversations with the American delegation, said Tehran couldn't control the Islamic Jihad terrorist group that held the American hostages. Release of the Americans, they said, depended on Washington releasing \$350 million in U.S. arms purchased by the former shah and the U.S. government arranging freedom for 17 Islamic Jihad members in Kuwaiti prisons, a demand long rejected by Washington and the emir of Kuwait.

For two days, McFarlane sought to reach higher-level Iranian officials and at each level found himself primarily negotiating terms for release of the hostages.

By the time he reached the top defense adviser to Ali Akbar Hashemi Rafsanjani, speaker of Iran's

parliament, the price for release of the Americans had been reduced to a vague number of additional arms shipments, a price McFarlane said he did not think Washington would pay.

When McFarlane returned to Washington in June, he told the president that he believed that the Iranians were not prepared for a new relationship and that the initiative should be ended.

One congressional source familiar with McFarlane's testimony in the open and closed sessions said, "The White House aides overestimated their assessment of the degree of dissension within the Iranian government, and cut off from the exercise portions of the U.S. government that disagreed with them."

When McFarlane was on his way home from Tehran, he parted company with North who, he told the legislators, was going to see if another effort to free hostages "had matured."

While McFarlane was in Iran, another effort to free hostages was reportedly involving U.S. businessman H. Ross Perot.

Perot had been asked by North to provide \$2 million in ransom and have the money ready in cash on Cyprus with one of his representatives by May 22.

The funds, McFarlane told the House members, were not ransom, but payments to a "source" assisting in the release.